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GENESCO

ANNUAL REPORT 1968

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GENESCO is the world's leading apparel company ☐ It has operated at a profit each year since its founding in 1924 and has paid dividends every year for 36 years ☐ In 1968 net sales exceeded one billion dollars as the Company continues its growth rate of doubling in earnings and volume on an average of every six years ☐

GENESCO APPAREL

financial summary

year ended july 31	1968	1967 AS PREVIOUSLY REPORTED	1967 RESTATED FOR POOLINGS OF INTERESTS
Net sales	**$1,008,066,000**	$872,119,000	$970,329,000
Net earnings	**32,005,000**	25,193,000	30,055,000
Working capital	**301,614,000**	241,751,000	257,803,000
Earnings per share	**$3.14**	$2.77	$2.80
Average number of shares outstanding	**9,472,000**	8,493,000	9,796,000

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to our stockholders:

We are glad to report that for our fiscal year ending 31 July 1968, sales and earnings for our corporation set new high records for the eighth consecutive year. This was the first year in which our net sales passed the Billion Dollar mark and is further evidence of our leadership in the apparel industry. Net sales of $1,008,066,000 compared with last year's sales as reported of $872,119,000 before pooling with newly acquired companies and $970,329,000 after pooling. Net earnings of $32,005,000 compared with last year's earnings as reported of $25,193,000 before pooling and $30,055,000 after pooling.

Earnings per share of common stock were $3.14. This is another new high record. Dividends were paid at a higher rate than ever before and amounted to $1.50 per share for the fiscal year. There have been increases in dividends paid in each of the last four years and the current rate of annual dividend is $1.60. The corporation has paid dividends on the common stock every year for 36 years.

It has been the practice of the corporation to maintain a strong cash position and the current balance sheet reflects this policy. We are in a position to take advantage of opportunities as they develop. Our stockholders' equity is $247,230,000 and our long-term debt of $106,546,000, which increased by $16,853,000 during the year, gives us sufficient leverage in our capital structure to provide a good return on our net worth but at the same time to have a conservative financial base.

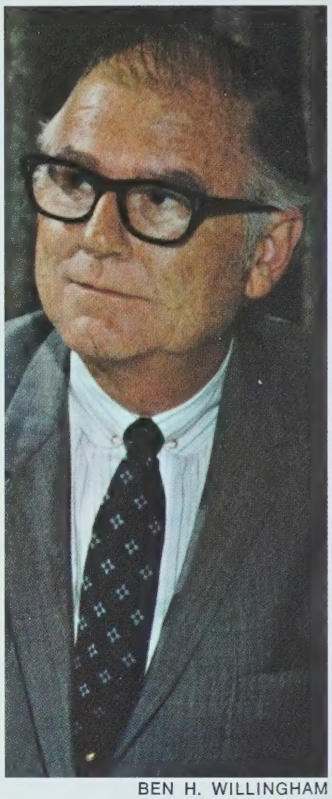
During the year 923,040 shares of common stock were acquired for the treasury in exchange for a like number of shares of Employees' Subordinated Convertible Preference Stock. In addition 321,106 shares were acquired for the treasury, and of the total treasury shares acquired, 581,065 were issued in poolings of interests transactions. Other pooling transactions, conversion of senior securities, and exercise of employee stock options resulted in the issuance of 1,424,398 shares so that the number of common shares outstanding at year end was 9,400,569.

A ten year comparison shows the progress that our company is making:

	1968	1959 (as reported)
Net sales	$1,008,066,000	$276,422,000
Net earnings	32,005,000	8,643,000
Net worth	247,230,000	76,559,000
Earned per common share	3.14	1.77
Dividends per share	1.50	1.00



W. MAXEY JARMAN



BEN H. WILLINGHAM

This progress is evidence of strong management, a clear concept of our business, and of the great opportunities in the apparel industry. Furthermore, it is evidence of the great possibilities that are ahead, as we have only scratched the surface of this enormous, growing and progressive industry. The United States leads the world in its management systems and technical developments in the production and distribution of all types of wearing apparel, one of the three necessities of life.

In line with the growth program of our company, there have been important additions to the GENESCO family during the past year. In the garment field, Susan Thomas Company, manufacturers of women's apparel; the G., H. & E. Freydberg Company, manufacturers of children's apparel; and Esquire Sportswear Company, manufacturer of men's slacks, have been added.

In our manufacturing of materials and components, we have added the Swift Spinning Company, yarn spinners, and the Elliott Hide Company, collectors and processors of cattle hides.

In the retail area, the McInerny Stores of Hawaii, Burkhardt's of Cincinnati, and Baron's of Florida have joined our family. In areas outside the United States, Rehault Shoes of France, GENESCO-Interstyle of Switzerland, and the British Rubber Company of Canada are now a part of our company.

We have contracted to acquire the Lebanon Knitting Mills of Pawtucket, Rhode Island, and this will be consummated in the new fiscal year. We believe knitted fabrics have great potential in the apparel industry.

Companies acquired on a pooling of interests basis, in line with past practice, are incorporated in the figures for prior years and these figures have been recalculated for that purpose.

We discontinued some operations which did not fit into our overall picture, which either were not profitable or did not have sufficient growth possibilities. These included certain retail operations, a cosmetics business, some wholesale distributorships, and certain low priced garment manufacturing operations. These companies are included in prior years. Our sales volume was reduced by these changes and in certain cases there were losses involved in disposing of these operations.

Our system of Interactive Management provides for decentralized responsibility and action, coordinated with centralized financial and accounting controls and a consultive management planning (the CoManPlan) program set up under a streamlined organization structure. For operating purposes we have an excellent information system throughout the company, through our standardized accounting procedures coordinated through our Central Management Information Center. This center is based on comprehensive centralized computer operations and decentralized computer installations where appropriate.

Our operating management is set up in seven operating groups, each of which is on a profitable and growing basis. These operating groups are further divided into forty operating companies, each of which has its own president and other officers.

Advertising and sales promotional expenditures for the year totaled approximately $18,000,000. In addition to products marketed under the names of our divisional companies, we also produce a great many products for large retailing organizations under their names. Our company manufactures a wide variety of apparel products, including outer apparel, footwear, sportswear, and under garments, for men, women and children.

A condensed analysis of the company is shown as follows. The figures include intracompany transactions as well as outside sales:

By Type of Product	Volume	Percent
Clothing and accessories	$ 534,000,000	49%
Footwear	404,000,000	37%
Materials, components, and other items	153,000,000	14%
By Functions		
Manufacturing	$ 665,000,000	61%
Retailing	426,000,000	39%
By Geographical Location		
United States of America	$ 997,000,000	91%
Other Countries	94,000,000	9%
By Type of Consumer		
Civilian	$1,047,000,000	96%
Military	44,000,000	4%

The apparel industry is approaching a $40 billion annual market in the United States and is growing rapidly in other parts of the world. Within the next decade, it is our aim to reach at least five percent of this total apparel industry in this country and approximately half that percentage in other important areas, such as Canada and Europe. We already have extensive operations in Canada and in some of the European countries and feel that there is great opportunity for further development in these areas.

We now have 148 manufacturing plants and processing terminals. In addition, we purchase a large amount of apparel items on a contract basis from other manufacturers for distribution through our wholesale lines and through our own retail stores. We distribute our products through more than 44,000 retail stores, including approximately seventeen hundred that we own and operate. Our owned retail operations give us a great deal of worthwhile information to better serve our other retail customers. In addition, they are most important as profit producers and distributors of products that we manufacture. These retail stores also buy from many other manufacturers which serves to keep us on a competitive basis in the market. All of our retail companies concentrate on apparel, including the Kress stores where over fifty percent of their volume is on budget apparel items.

Our company enjoys good relationships with our employees. Total worldwide employment averaged approximately 66,000 people. Employees in the USA averaged 54,000 including 6200 members of non-white minority groups. We expect to have important improvements in mechanization in the next few years, but our policy provides that employees will not suffer a loss due to technological changes. This policy makes it possible to proceed rapidly as we can handle the employee matter with normal employee turnover. We are particularly proud of our strong management group and it is our aim to develop between 80 and 90 percent of our own executives through our internal program. About 6500 of our employees are classified as management. As an important part of our program, we have several plans which give employees the opportunity to acquire a stock interest in the business on an easy basis. Approximately 16,000 of our employees are stockholders. The total number of our stockholders is now about 38,000.

Our research activities are taking an even more important part in the overall development of our company. We have new developments in mechanization, new types of materials, new technical processes, and additional market research in consumer preferences.

Beginning with the new fiscal year, Ben H. Willingham, president for the past ten years, has become the chief executive officer of the corporation.

Based on the planned programs of our operating companies, the new fiscal year promises to show excellent progress, both in volume and earnings. We have a splendid group of executives in this organization and look forward to continued leadership in the apparel industry.



W. Maxey Jarman, *Chairman*



Ben H. Willingham, *President*

ASSOCIATED SPORTSWEAR
Sol Grossman, *President*

MAJESTIC
Sheppard Zinovoy, *President*
Misses sportswear

KELITA
James N. Banks, *President*
Junior and Junior Petite sportswear

HUDSON SPORTSWEAR
Private label sportswear for volume accounts

RIDGEFIELD MANUFACTURING
Misses, Junior, and Junior Petite sportswear

BALTIMORE CLOTHES
David L. Greif, II, *President*

L. GREIF & BRO.
Wholesaler of men's clothes in the higher and medium price ranges

SEABOARD MANUFACTURING COMPANY
Ted S. Decker, *Vice President*
Manufacturer of men's clothes in the higher and medium price ranges

ENGLISH-AMERICAN TAILORING COMPANY
Mark J. Sloman, *President*
Individualized, made-to-order men's clothes

WEATHEROGUE, INC.
Victor Semos, *President*
Rainwear for men

BERKSHIRE APPAREL CORPORATION
Sidney Stogel, *President*
Women's and misses' dresses

BROADWAY SHOE COMPANY
Harry Clark, *President*
Wholesaler of men's and boys' shoes

CEDAR CREST SHOE COMPANY
Frank Merhoff, *President*
Men's and boys' service, dress and special purpose shoes and boots

DOUGLAS SHOE COMPANY
Howard Johnson, *President*
Men's and boys' dress and service shoes and boots

FORTUNE SHOE COMPANY
Charles E. Horton, *President*
Shoes for the young man

SANDY McGEE SHOE COMPANY
W. Thomas Bowers, *President*
Men's and boys' popular-priced shoes

CAMP and McINNES COMPANY
Erwin Camp, *President*
Leo Camp, *Executive Vice President*
Quality hosiery for men

CONLECO
Thomas B. McAlister, *President*
Leather tanning, shoe components

ELLIOTT ASSOCIATED COMPANIES
A. Frank Pilchard, *President*
Hides and leather

SOLE LEATHER CONTAN
Dan Smith, *President*
Contract production of sole leather

UPPER LEATHER CONTAN
George Yokley, *President*
Contract tanning of upper leather

VALMORE LEATHER COMPANY
J. Virgil Nipp, *President*
Leather trading

SOUTHERN SOLE
J. Virgil Nipp, *President*
Cut soles

WHITEHALL LEATHER COMPANY
Leather tanning


*GREIF 19 Yrs.


*S. GROSSMAN 21 Yrs.


*STOGEL 30 Yrs.


CLARK 18 Yrs.


L. CAMP 22 Yrs.


E. CAMP 23 Yrs.


McALISTER 10 Yrs.

*Board of Governors **Boards of Directors & Governors

FOOTWEAR—MANUFACTURING AND STAFF

MANUFACTURING
James H. Cheek, Jr., *President*

PYRAMID SHOE MANUFACTURING
Brandon Edmondson, *President*
Plants in Southern, Eastern and New England states manufacturing women's and children's shoes

TRIANGLE SHOE MANUFACTURING
C. Wilbon Marlin, *President*
Plants in Southern states, manufacturing men's and boys' shoes

MANUFACTURING STAFF
B. E. Reed, *Vice President*

MATERIAL MANAGEMENT
Dallas J. Jones, *Director*

PRODUCT DEVELOPMENT AND TREND DESIGN
Joel Glassman, *Director*

FOOTWEAR—DISTRIBUTION

SALES COORDINATION
George Q. Langstaff, Jr., *Director*

DISTRIBUTION STAFF
John A. Ball, *Director*

ACCOUNTS RECEIVABLE
T. Douglas Oxford, *Manager*

G., H. & E. FREYDBERG, INC.
Irwin G. Freydberg, *President*
Children's clothing

GIRLTOWN, INC.
Leo Marcus, *President*
Sportswear for girls

GREENSBORO MANUFACTURING COMPANY
Jess M. Colchamiro, *President*
David Levy, *Executive Vice President*
Popular priced women's and children's sleepwear

IMPERIAL SHOE COMPANY
William W. Earthman, *President*
Wholesaler of women's and children's shoes

CARLISLE SHOE COMPANY
Nicholas Parker, *Chairman*
Warren C. Kolkebeck, *President*
Mademoiselle fashion shoes for women

CHARM STEP SHOE COMPANY
Robert L. Richter, *President*
Women's popular-priced shoes

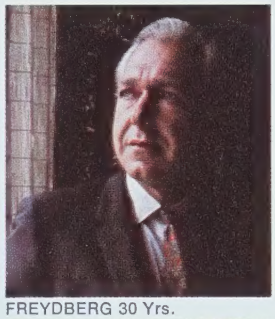
COVER GIRL SHOE COMPANY
H. C. Christiansen, *President*
Contemporary shoes for young women

MANNEQUIN SHOE COMPANY
John Rimsky, *President*
Medium priced women's fashion shoes

NATIONAL VOGUE SHOEMAKERS
William C. Cook, *President*
Women's shoes for independent retailers and department stores

VALENTINE SHOE COMPANY
Sidney A. Smith, *President*
Classically styled shoes for women

YOUNGTIMER SHOE COMPANY
Ernest Fetner, *President*
Children's shoes


FREYDBERG 30 Yrs.


EARTHMAN 20 Yrs.


*LANGSTAFF 20 Yrs.

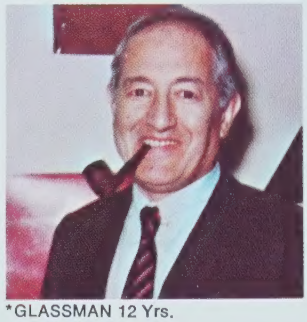

*CHEEK 22 Yrs.


*MARLIN 37 Yrs.


**REED 44 Yrs.


*LEVY 36 Yrs.


COLCHAMIRO 36 Yrs.


*GLASSMAN 12 Yrs.


MARCUS 24 Yrs.

INTIMCO
John Currier, *President*

FORMFIT ROGERS
Foundation garments and lingerie

HAMILTON SALES COMPANY
Foundation garments and lingerie for private label volume accounts

INTIMCO MANUFACTURING
Howard Sembla, *Vice President*
Foundation garments and lingerie

JARMAN SHOE COMPANY
Edward W. Graham, Jr., *President*
Men's dress shoes

JARMAN RETAIL
William H. Maclay, *President*
Men's shoe stores and leased departments featuring Jarman shoes

JOHNSTON & MURPHY SHOE COMPANY
John M. Settle, *President*
J & M and Frank Bros. shoes for men

MURPHY RETAIL
James A. McCann, *President*
Leased departments featuring J & M shoes

LEE BEACHWEAR COMPANY
Louis Brumberger, *President*
Popular-priced women's swimwear

MAJOR BLOUSE COMPANY
Abraham J. Baum, *President*
Women's blouses

MANTEX
G. Warren Gregory, *President*
Adhesives, finishes, containers, knit fabrics, yarn, and by-products

CAPITOL PRODUCTS COMPANY
V. J. Johnson, Jr., *President*
Cartons and containers

CELL-KOTE
Marcus C. McCreary, *President*
Circular knit industrial fabrics

GENERAL ADHESIVES AND CHEMICAL COMPANY
Leamon H. Harris, *President*
Adhesives, finishes and chemical products

KINGSBORO TEXTILE COMPANY
Charles W. Hampton, *General Manager*
Tricot and raschel knit fabrics

KNITFABS
Oscar Kane, *Manager*
Double knit fabrics



**GRAHAM 22 Yrs.



SETTLE 12 Yrs.



*CURRIER 2 Yrs.



BAUM 22 Yrs.



G. GREGORY 29 Yrs.



BRUMBERGER 16 Yrs.

*Board of Governors **Boards of Directors & Governors

MAYFAIR FURNISHINGS
M. E. Eisenberg, *Chairman*

AINSBROOKE CORP.
Irving Flamberg, *Chairman*
Morton Flamberg, *President*
Men's and boys' underwear and pajamas

FLAGG-UTICA COMPANY
R. Joseph Robinson, *President*
Fabrics, underwear

FLAGG-UTICA FASHION DIVISION
Casual outerwear

TROY DISTRICT SHIRT CO.
Men's dress shirts

PHOENIX, INC.
Alexander Lerner, *President*
Medium-priced men's clothes

ALLENTOWN MANUFACTURING COMPANY
Manufacturer of men's clothes in the medium price range

ESQUIRE SPORTSWEAR MANUFACTURING CORP.
Men's slacks, walk shorts and rainwear

HARDY AMIES-U.S.A.
Richard Frank, *President*
Distributor of men's fashion apparel designed by Hardy Amies

JORDAN CLOTHING COMPANY
Private label men's clothes

REPUBLIC SHOE COMPANY
Charles W. Cook, *President*
Shoes for private label volume trade

SUSAN THOMAS INCORPORATED
William Thomas, *President*
Separates, knits and dresses for women, juniors and misses

NEW YORK MACKINTOSH, INC.
Rainwear for ladies and girls

RONA DRESSES, INC.
Ladies' dresses and ensembles

SWIFT SPINNING MILLS
Henry W. Swift, *President*
Natural, natural blended and synthetic yarns, knitted thermal fabrics

J. M. WOOD MFG. CO., INC.
J. Carroll Wood, *President*
Maurice E. Miller, *Executive Vice President*
Utility and casual clothes for men

ZENITH SHOE COMPANY
Houghton D. Vaughn, *President*

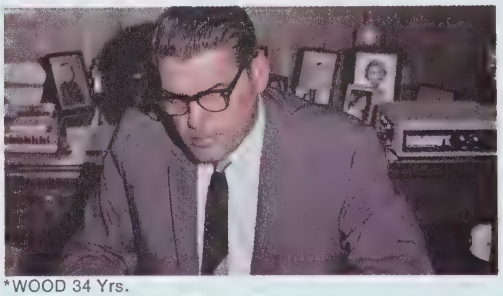
DOMINION SHOE COMPANY
John W. Bracewell, *President*
Howard D. Baldridge, *Vice President*
Shoes for private label volume trade

KLEVEN SHOE COMPANY, INC.
John T. Burnett, *Executive Vice President*
Women's private brand fashion shoes

SENTRY SHOE COMPANY
William Lyle Hammond, *President*
Shoes for private label volume trade

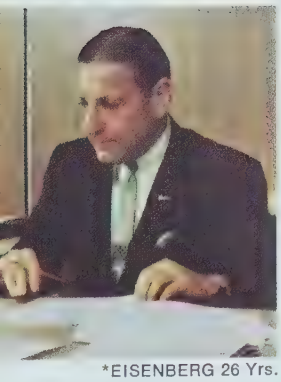

**VAUGHN 38 Yrs.


**COOK 37 Yrs.


*WOOD 34 Yrs.

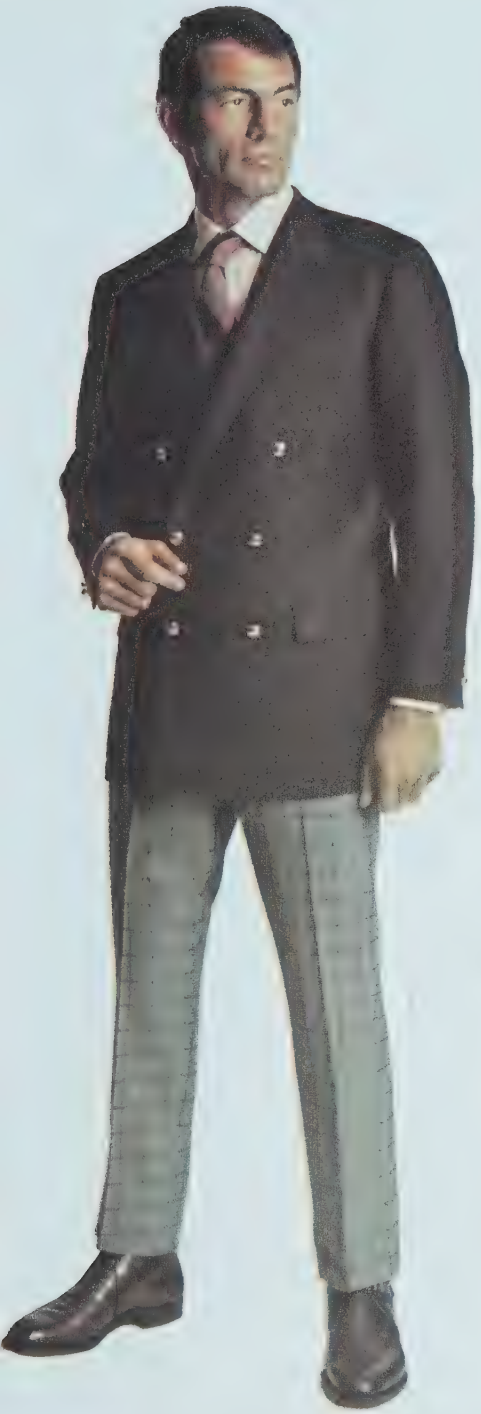

THOMAS 25 Yrs.


*MILLER 20 Yrs.


*EISENBERG 26 Yrs.


*LERNER 23 Yrs.





Left to right—A twill suit from the Fall 1968 collection of L. Greif & Bro. Coordinated fashion apparel from Hardy Amies—U.S.A. Hosiery from Camp & McInnes designed by John Weitz.

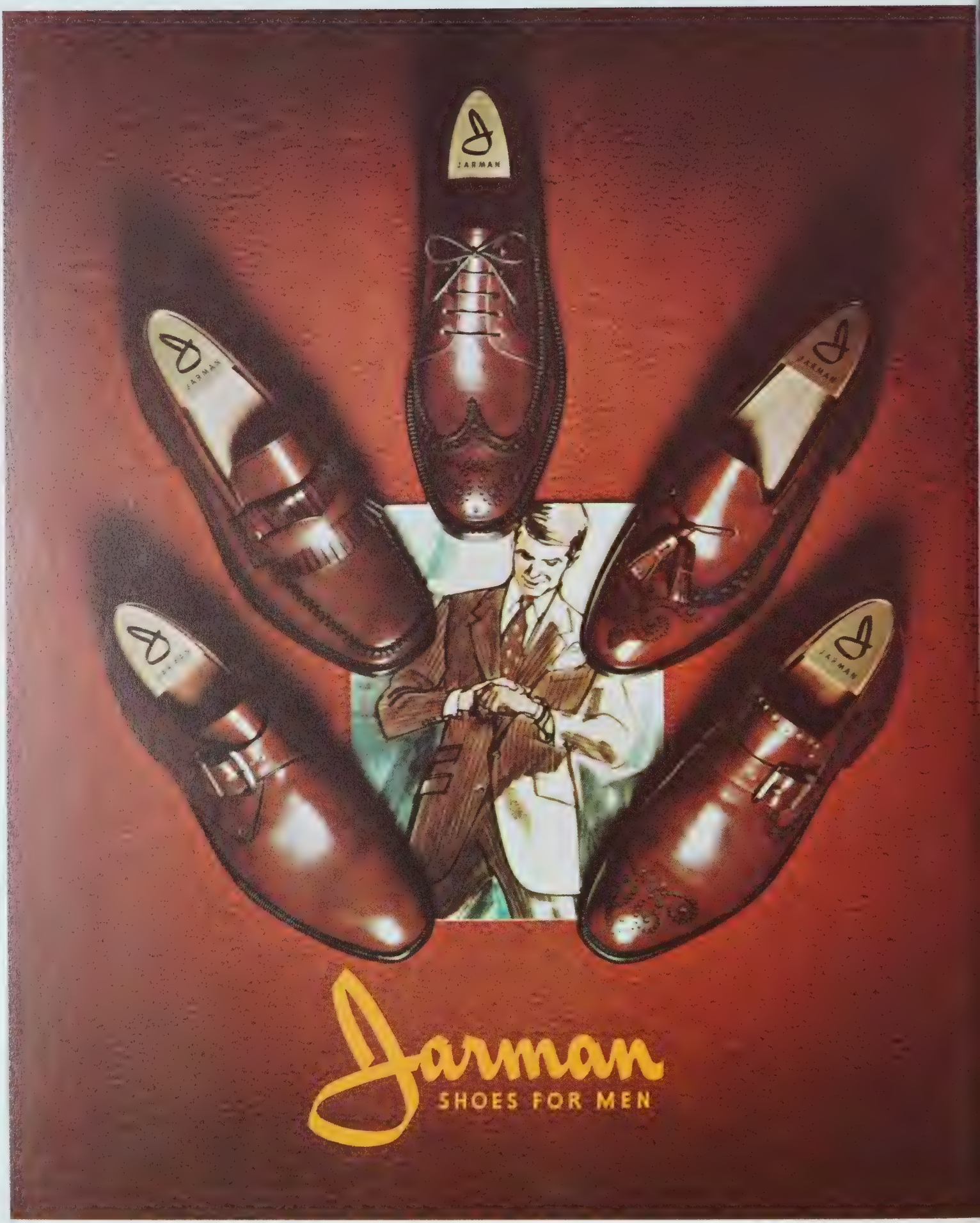
GENESCO apparel for men • In recent years, there has been a pronounced movement toward greater variety in color, materials, styling and types in all categories of apparel for men, leading to their ownership of more extensive wardrobes.

By anticipating this trend some years ago, GENESCO has strengthened its position of leadership in this growing market.

We led the industry when we introduced at retail collections of men's clothing by well known American and European fashion designers. Later we were first to enter into an exclusive agreement with a noted European designer to make and market his men's wear designs in the United States. Consumer acceptance continues excellent, and our Hardy Amies—U.S.A. collections are now available at retail in major markets throughout the country.

This trend in men's apparel reflects a changing pattern of consumer spending. As a progressively larger portion of personal income is available for apparel, we see great potential for increased volume for all our men's wear operations.




JARMAN
Jarman
SHOES FOR MEN



Two of the well-known footwear brand names in GENESCO are I. Miller (*left*) and (*far left*) Jarman.

GENESCO footwear • During the past year, GENESCO again increased its share of the total U.S. production of shoes for men, women and children.

This continued growth and leadership in the industry has resulted from the development and application of innovative methods to provide improved products and service to our customers. Among such has been the company-wide application of classification merchandising of men's, women's and children's shoes. Another is the use of electronic video display screens by our various footwear sales companies. These screens are connected with the memory banks of our central computers for immediate visual reporting of the current status of any customer's order.

To handle pairage growth and to better service the volume trade, an additional highly mechanized distribution facility was placed in operation this year, and we have completed additions and improvements to two of our footwear manufacturing plants.





Clockwise from lower left—Fall 1968 advertisements from Majestic, Formfit Rogers, and Parkshire, a division of Berkshire Apparel.

GENESCO apparel for women and children • 1968 was a year of important developments for GENESCO in apparel for women and children.

Two manufacturing plants which had previously been operated on a contract basis for the production of sportswear for misses and juniors, became fully owned company operations. We also consolidated the distribution of a large portion of our foundation garment and lingerie products into a major processing terminal.

Consistent with our corporate development program, we have also made two important acquisitions since the publication of our last annual report. These include: Susan Thomas Inc., manufacturers of medium and better priced apparel for women including knits and rainwear for misses and juniors; and G., H. & E. Freydberg Inc., manufacturers of clothing for children. These acquisitions were made on a selective basis to add categories in which we had not been represented.

Let it happen to you



Parkshire Original
in Orlon®

If you look small, but think tall on fashion, here's a whole new world of flair and freshness. No more costly alterations! Both styles, washable print crepes of 100% Orlon* acrylic bonded to acetate. These smooth, wrinkle-free dresses fit like custom-made clothes.
Both in Blue, Plum, Beige, about $23.00.
Sizes 10-18.

Parkshire
ORIGINAL
1400 Broadway, New York, N.Y. 10018





GENESCO research and development • A large portion of GENESCO's research is in two broad areas:

1. The development of the products we make and sell.
2. The development of the processes by which we manufacture these products.

Product Development is directly connected with the quality, appearance and acceptance of finished goods. It includes market research, trend analysis, fashion interpretation, design and materials testing.

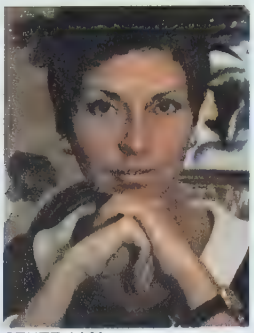
Process Development is a program for improving the efficiency of our manufacturing and distribution functions. It is the organized effort to reduce costs in manufacturing—to speed handling—to improve quality—to reduce waste.

Working closely with our Central Manufacturing Coordination Staff there are five Process Development Groups strategically placed throughout the corporation to cover the full range of manufacturing processes in use. Each group is a part of an operating company, and is composed of engineers and technicians who provide a cross section of experience and skills. Each Process Development Group is responsible for developing manufacturing innovations in its operating company. The Central Manufacturing Coordination Staff, in turn, adapts these systems for use in other operating companies in GENESCO.

Many of the advanced techniques in use in GENESCO today are the result of such controlled evolution of varied systems. The Process Development Program accelerates this evolution through the synergistic effect of combining successful innovations into integrated manufacturing systems.

Left—A continuous knitting-finishing-dyeing complex at GENESCO Park is a development of GENESCO Research. Already in operation is knitting section.

Above—Highly mechanized spreading machinery is part of computer-controlled manufacturing process developed by GENESCO engineers in J. M. Wood division. This exclusive process involves remote computer analysis of cloth bales to determine the most economical cutting.


STUTZ 14 Yrs.


*CUSTIN 10 Yrs.


*LONG 30 Yrs.

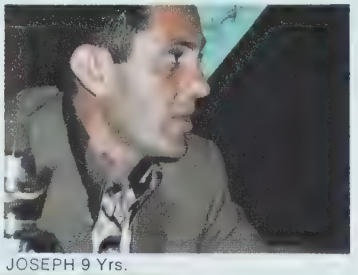

MIER 29 Yrs.


JONES 27 Yrs.


*SCHWARTZ 1 Yr.


FISHEL 21 Yrs.

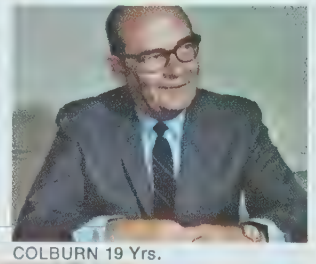

BRONAUGH 21 Yrs.


JOSEPH 9 Yrs.


*GAUER 24 Yrs.


KEANE 2 Yrs.


*RAYNE 21 Yrs.


COLBURN 19 Yrs.


*MARKUS 3 Yrs.

*Board of Governors

BARON'S
Earl Pertnoy, *President*

Men's clothing stores, principally in southern Florida

HENRI BENDEL COMPANY
Geraldine Stutz, *President*

Specialty apparel store for women on New York's fashionable 57th Street

BONWIT TELLER COMPANY
Mildred Custin, *President*

Specialty apparel stores in New York, Chicago, Cleveland, Boston, Philadelphia, Palm Beach, Manhasset (L.I.), Short Hills (N.J.), Oak Brook (Ill.), Jenkintown and Wynnewood (Pa.), and Westchester County (N.Y.)

THE BURKHARDT BROS. COMPANY
William H. Mier, *President*

Men's clothing stores in Cincinnati

V. J. ELMORE, INC.
Joe B. Long, *Managing Director*

Budget store chain, primarily in the South

FLAGG BROS.
Edward C. Jones, *President*

Shoe stores featuring footwear particularly designed for young men

GIDDING-JENNY, INC.
Bertram E. Fishel, *Chairman*

Specialty apparel stores for women in Cincinnati and Dayton, Ohio

INTERSTATE SHOE COMPANY
Stewart Bronaugh, *President*

Family shoe stores and leased shoe departments from coast to coast including: Brittain's; French Bootery; Guarantee Shoe Stores; Innes Shoe Stores; Sommer & Kaufmann Shoe Stores

JOHN HARDY SHOE COMPANY
Joe B. Long, *Managing Director*

Popular-priced men's shoe stores

S. H. KRESS AND COMPANY
George Schwartz, *President*

Nationwide chain of budget stores

I. MILLER & SONS, INC.
Richard C. Joseph, *President*

Women's quality fashion shoe salons in New York and other major cities. Principal lines are I. Miller, Evins, Ingenue and Millerkins

I. MILLER WHOLESALE

Wholesaler of I. Miller Shoes to outstanding stores throughout the country

R.A.M.—RETAIL APPAREL FOR MEN
John Keane, *President*

Men's clothing stores in New York and other major cities; Frank Bros., Roger Kent, Whitehouse & Hardy, and Mallernee's

H. & M. RAYNE—RAYNE DELMAN COMPANY (Affiliated)

Edward Rayne, *President*

Delman—quality women's fashion shoes. Salons in New York and other cities; design studios in New York, London and Paris

ROOS/ATKINS

Edward H. Gauer, *Chairman of the Board*
Graydon B. Colburn, *President*

Quality men's and women's apparel stores in California and Nevada

McINERNY STORES

Quality men's and women's apparel stores in Hawaii

SUPERIOR SHOE COMPANY

Marion Markus, *President*

ALLEN STORES

Maury Goodman, *President*

Women's popular-priced shoe stores

BELL BROS., INC.

B. J. Butner, *President*

Popular-priced family shoe stores

BERLAND SHOE COMPANY

Stanley W. Nussbaum, *President*

Leased family, women's and men's shoe departments

HOLIDAY-WISE

Ray Manning, *President*

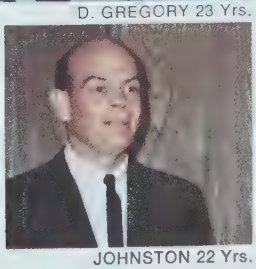
Shoe stores selling medium-priced women's fashion shoes



LeROY 2 Yrs.



D. GREGORY 23 Yrs.



JOHNSTON 22 Yrs.

CANAGEN

Dan Gregory, *Area Director*

AGNEW-SURPASS SHOE STORES, LTD.

Robert F. Whitby, *President*

Coast to coast chain of family shoe stores

J. A. JOHNSTON COMPANY, LTD.

Peter D. L. Johnston, *President*

Wholesalers and retailers of shoes for men and women

GENERAL SHOE OF CANADA

Dan H. LeRoy, *President*

Manufacturers and wholesalers of men's, women's and children's shoes

FORMFIT CANADA

Intimate Apparel

EUROGEN

George W. Kirk, *Area Director*

CONFEZIONI SAN REMO, S.P.A.

Sergio Comunello, *Managing Director*

Manufacturer of men's and boys' ready-to-wear clothes

ESTABLISHMENT REHAULT

Jean & Pol Rehault, *Managing Directors*

Manufacturers, wholesalers and retailers of women's shoes

FORMFIT FRANCE/ELLE

Paul Borenstein, *General Manager*

Intimate Apparel

GENESCO-INTERSTYLE

Vernon Suter, *Chairman*

Manufacturers and wholesalers of under and outer apparel for men, women and children

NADIA, S. A.

Charles Sanders, *General Manager*

Manufacturers and wholesalers of women's shoes

TRANS GEN

Francis W. Parker, *Managing Director*

LATAM

Rafael P. Menendez, *Area Director*
Fred Morrison, *South America Coordinator*

Manufacturing, wholesale and retail operations in Mexico, Guatemala, Panama and South America

LEXIM

Francis W. Parker, *President*

Licensing, exporting, importing

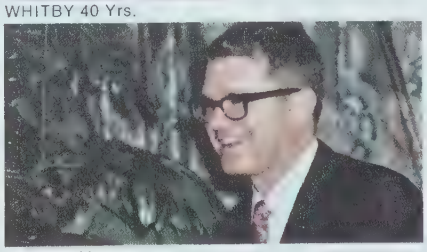
PACIFIC

Brian Ettelson

Under apparel and footwear manufacturing and wholesale operations in Australia, Japan and other countries



WHITBY 40 Yrs.



KIRK 19 Yrs.



COMUNELLO 9 Yrs.



PARKER 21 Yrs.


BONVIT
TELLER





Two additions to GENESCO are the Burkhardt stores in Cincinnati (*left*) and (*below*) the McInerny stores in Hawaii.

GENESCO retail • Our Bonwit Teller women's specialty store group is in the process of enlarging its Philadelphia store and adding two new stores. One will be Michigan's first Bonwits and will be located at Troy, Michigan, a suburb of Detroit. The other, a new Chicago store, will occupy four floors in the 100 story John Hancock Building on Chicago's famed North Michigan Boulevard. Roos/Atkins, our San Francisco based apparel stores for men and women, acquired the 6 store M. McInerny, Ltd. group in Hawaii. Currently under construction are 5 new California Roos/Atkins stores plus a new 9 story San Francisco store and headquarters building. Additionally during the year we purchased the Cincinnati group of 5 Burkhardt Bros. men's clothing stores and acquired the 14 Baron's men's clothing stores in Miami and southern Florida.

Steady expansion was maintained throughout the year by our chain retailing group of budget stores and footwear and accessories stores and departments. On an average, 4 new or renovated stores were opened monthly while 2 stores were moved to better business locations to keep pace with changing retail market traffic patterns. The nationally known Kress and Elmore budget stores, Flagg Bros., Hardy, Holiday, Wise, Bell Bros., Berland, and Allen shoe stores and departments are others in our retail operations.

Left—Fashion landmark is Bonwit Teller's famed Fifth Avenue store.

GENESCO consolidated balance sheet

July 31, 1968 with comparative figures for 1967

ASSETS

current assets:	1968	1967 AS PREVIOUSLY REPORTED	1967 RESTATED FOR POOLINGS OF INTERESTS
Cash	$ 35,731,000	$ 37,622,000	$ 40,489,000
Time deposit	25,000,000	—	—
Receivables, net	93,839,000	75,326,000	86,733,000
Inventories	202,942,000	168,007,000	186,016,000
Prepaid expenses	3,056,000	2,476,000	2,991,000
total current assets	360,568,000	283,431,000	316,229,000
Investments and long-term receivables	8,582,000	20,234,000	20,322,000
Plant and equipment	71,011,000	53,884,000	67,080,000
Deferred charges	5,399,000	6,082,000	6,082,000
TOTAL ASSETS	$445,560,000	$363,631,000	$409,713,000

LIABILITIES and STOCKHOLDERS' EQUITY

current liabilities:			
Accounts payable, accrued expenses and current portion of long-term debt	$ 49,656,000	$ 35,199,000	$ 50,425,000
Income taxes	9,298,000	6,481,000	8,001,000
total current liabilities	58,954,000	41,680,000	58,426,000
Long-term debt	106,546,000	83,348,000	89,693,000
Minority interests	6,180,000	5,842,000	5,842,000
Deferred income taxes	6,901,000	5,650,000	5,650,000
Deferred credits to income	19,749,000	24,581,000	24,465,000
Stockholders' equity	247,230,000	202,530,000	225,637,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$445,560,000	$363,631,000	$409,713,000

This page should be read in conjunction with the Financial Review on pages 24, 25, 26, and 27.

GENESCO consolidated earnings

	1968	1967 AS PREVIOUSLY REPORTED	1967 RESTATED FOR POOLINGS OF INTERESTS
Sales, including sales of leased departments	**$1,008,066,000**	$872,119,000	$970,329,000
Other income	**1,234,000**	1,403,000	1,352,000
total income	**1,009,300,000**	873,522,000	971,681,000
Cost of sales	**684,682,000**	595,342,000	669,226,000
Selling, administrative and general expenses	**257,841,000**	228,273,000	242,455,000
Interest expense	**9,177,000**	7,228,000	7,902,000
Federal, state and Canadian income taxes	**25,355,000**	17,212,000	21,769,000
Minority interests	**240,000**	274,000	274,000
total deductions	**977,295,000**	848,329,000	941,626,000
net earnings	**$ 32,005,000**	$ 25,193,000	$ 30,055,000
Earnings per share (based on average shares outstanding)	**$3.14**	$2.77	$2.80

This page should be read in conjunction with the Financial Review on pages 24, 25, 26, and 27.

GENESCO consolidated earnings retained in business

	1968	1967 AS PREVIOUSLY REPORTED	1967 RESTATED FOR POOLINGS OF INTERESTS
Balance at beginning of year	**$119,228,000**	$ 92,541,000	$103,829,000
Net earnings	**32,005,000**	25,193,000	30,055,000
Dividends paid	**(15,218,000)**	(12,973,000)	(14,656,000)
Balance at end of year	**$136,015,000**	$104,761,000	$119,228,000

GENESCO consolidated additional paid-in capital

	1968	1967 AS PREVIOUSLY REPORTED	1967 RESTATED FOR POOLINGS OF INTERESTS
Balance at beginning of year	**$72,575,000**	$ 65,169,000	$65,139,000
Sales price or fair market in excess of par or stated value of common and preferred shares issued	**14,007,000**	3,238,000	3,239,000
Stated value of preferred stock or principal amount of notes converted, in excess of the par value of common shares issued in exchange	**11,247,000**	4,197,000	4,197,000
Balance at end of year	**$97,829,000**	$ 72,604,000	$72,575,000

This page should be read in conjunction with the Financial Review on pages 24, 25, 26, and 27.

	1968	1967 AS PREVIOUSLY REPORTED	1967 RESTATED FOR POOLINGS OF INTERESTS
source of funds:			
Net earnings	**$32,005,000**	$ 25,193,000	$30,055,000
Depreciation and amortization	**8,446,000**	6,663,000	7,542,000
Amortization of deferred charges and increase in deferred taxes	**3,729,000**	2,359,000	2,359,000
Credits to earnings not providing funds	**(3,525,000)**	(1,978,000)	(1,978,000)
Funds derived from operations	**40,655,000**	32,237,000	37,978,000
Proceeds from sale of capital stock	**14,421,000**	3,436,000	4,007,000
Proceeds from long-term debt issued	**22,020,000**	20,000,000	20,000,000
Change in other investments	**10,464,000**	(3,810,000)	(3,579,000)
Plant and equipment sales, including sales and leasebacks	**3,472,000**	3,576,000	3,576,000
	$91,032,000	$ 55,439,000	$61,982,000
use of funds:			
Dividends paid	**$15,218,000**	$12,973,000	$14,656,000
Treasury stock acquired	**12,564,000**	—	—
Long-term debt paid or charged against working capital	**2,218,000**	1,538,000	1,791,000
Change in minority interests	**(338,000)**	699,000	699,000
Other changes in nonconsolidated and 50% owned companies and deferred credits to income	**(300,000)**	1,914,000	1,886,000
Plant and equipment purchases	**15,713,000**	12,844,000	14,175,000
Increase in deferred charges and other assets	**2,146,000**	2,775,000	2,775,000
Increase in working capital	**43,811,000**	22,696,000	26,000,000
	$91,032,000	$55,439,000	$61,982,000

This page should be read in conjunction with the Financial Review on pages 24, 25, 26, and 27.

All subsidiaries are consolidated except those with operations outside the United States and Canada and those engaged in unrelated operations, all of which together with 50% owned companies are carried at equity value, with the results of operations for the year reflected in other income. These companies, in the aggregate, are not material to the consolidated financial statements taken as a whole.

During the year, GENESCO acquired several companies on a pooling of interests basis and two companies which were accounted for as purchases. Comparative financial data for 1967 is shown as originally reported and as restated to include the companies pooled.

Inventories are valued at the lower of approximate average cost or market and include finished products of $145,558,000 in 1968 and $138,240,000 in 1967. Raw materials and work in process amounted to $57,384,000 in 1968 and $47,776,000 in 1967. Inventories in transit at July 31, 1968 in the amount of approximately $7,000,000 are not included in the above.

GENESCO's investments and long-term receivables consist of investments in nonconsolidated subsidiaries and 50% owned companies of $5,642,000, employees' secured stock purchase accounts of $1,542,000, and the cost of other investments in the amount of $1,398,000.

Plant and equipment classifications at July 31, 1968 are as follows:

Land	$ 2,137,000
Buildings and building equipment	13,106,000
Machinery and equipment	38,809,000
Furniture and fixtures	55,476,000
Construction in process	1,578,000
Improvements to leased property	43,600,000
	154,706,000
Less accumulated depreciation and amortization	83,695,000
	$ 71,011,000

Depreciation and amortization expense in 1968 amounted to $8,446,000 provided generally on the straight-line method based on the estimated life of each class of assets.

Certain income and expense items are recognized for tax purposes in years other than the years in which they are reported in the financial statements. These items include depreciation, profits on installment sales, expenditures for tools and dies and deductions related to accounts receivable. The Federal income tax expense includes the tax effects of these timing differences which in 1968 resulted in a credit to the tax expense of approximately $227,000. In addition, the Federal income tax expense for 1968 has been reduced by an investment credit of $966,000.

Peat, Marwick, Mitchell & Co.
Certified Public Accountants
Life and Casualty Tower
Nashville, Tennessee 37219

The Board of Directors and Stockholders
GENESCO Inc.:

We have examined the consolidated balance sheet of GENESCO Inc. and consolidated subsidiaries as of July 31, 1968 and the related statements of earnings, earnings retained in business and additional paid-in capital and the statement of source and use of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of certain subsidiaries acquired during the year, but relied upon the examinations of other independent public accountants.

In our opinion, based upon our examination and the aforementioned reports of other independent public accountants, the accompanying consolidated balance sheet and statements of consolidated earnings, earnings retained in business and additional paid-in capital present fairly the financial position of GENESCO Inc. and consolidated subsidiaries at July 31, 1968 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of source and use of funds for the year ended July 31, 1968 presents fairly the information shown therein.

Peat, Marwick, Mitchell & Co.

September 9, 1968

The company's Federal income tax returns for the years 1964, 1965 and 1966 are presently under examination by the Internal Revenue Service. On the basis of information now available, no significant additional tax liabilities are anticipated.

Long-term debt, including installments due currently, is as follows:

	Current	Non-Current
4.75% convertible subordinated notes dated July 1962, due 1982 with annual payments beginning 1973; convertible into common stock at $25.67 per share	$ —	$ 1,000,000
5.00% notes dated July 1964, due 1984 with annual payments of $2,000,000 beginning 1970	—	40,000,000
5.25% notes dated February 1961, due 1981, payable $938,000 annually	938,000	15,310,000
Three-year notes payable to banks due August 1, 1970 ($20,000,000) and January 4, 1971 ($20,000,000), interest payable at prime rate in first year and at prime rate plus .25% in the last two years	—	40,000,000
Notes payable incurred by subsidiaries prior to acquisition due in varying amounts to 1985 at various interest rates the major portion of which are from 4½% to 6% (guaranteed by GENESCO Inc.)	1,051,000	10,236,000
	$ 1,989,000	$106,546,000

The various note agreements restrict stockholders' equity except as to approximately $74,000,000.

The company guarantees all payments on the $15,000,000 debentures of a nonconsolidated foreign finance subsidiary. The guarantee is subordinated to the prior payment in full of all present and future senior indebtedness.

Deferred credits to income consist of net profits of $17,452,000 from the sale and leaseback of real properties and equipment which are being amortized over the lives of the respective leases, and the net excess of equity over cost of acquired companies in the amount of $2,297,000 which is being amortized over extended periods of time. Amortization of these credits to income in 1968 amounted to $1,789,000.

The company has long-term leases in effect with a total minimum annual rental of $38,849,000, of which $14,346,000 is applicable to leases expiring by July 31, 1973, $23,784,000 is applicable to leases expiring by July 31, 1993 and $719,000 is applicable to leases expiring after July 31, 1993.

The changes in the shares of the company's capital stock during the year ended July 31, 1968 are summarized as follows:

	Common		Preferred	
	Issued	Treasury	Employees'	Other
Outstanding at 7-31-67	8,639,252	—	—	405,142
Purchases	—	321,106	—	—
Plan of exchange	—	923,040	923,040	—
Conversion of securities	598,918	—	(15,667)	(133,991)
Employee options and purchase plans	103,364	—	303,464	9,334
Poolings of interests	722,116	(581,065)	—	391,888
	10,063,650	663,081	1,210,837	672,373
Less treasury stock	663,081		13,798	1,340
Outstanding at 7-31-68	9,400,569		1,197,039	671,033

The company's nine classes of capital stock outstanding are included below:

	1968	1967
$4.50 cumulative convertible preferred stock at $100 stated and liquidating value per share. The redemption value is $103.50 per share. Authorized and outstanding 1968—71,246 shares; 1967—158,648 shares.	$7,125,000	$15,865,000
$4.25 subordinated cumulative convertible preference stock, Series A at $3.00 stated value per share. Aggregate liquidating value 1968—$6,894,000, 1967—$11,491,000. The redemption value is $100 per share. Authorized and outstanding 1968—68,943 shares; 1967—114,905 shares.	207,000	345,000
$6.00 subordinated cumulative convertible preference stock, Series B at $2.40 stated value per share. Aggregate liquidating value 1968—$13,154,000, 1967—$13,159,000. The redemption value is $105 per share. Authorized 1968—161,981 shares; 1967—161,989 shares; issued 1968—131,981 shares, 1967—131,589 shares; 30,000 shares are reserved contingent upon earnings of certain acquired companies.	317,000	316,000
$6.00 subordinated cumulative convertible preference stock, Series C at $2.20 stated value per share. Aggregate liquidating value 1968—$11,877,000, 1967—$11,138,000. The redemption value is $105 per share. Authorized 1968—268,956 shares, 1967—270,000 shares; issued 1968—119,665 shares, 1967—111,375 shares; 19,835 shares are reserved contingent upon earnings of certain acquired companies.	263,000	245,000

	1968	1967
$2.30 subordinated serial preferred stock, Series 1 at $0.83 stated value per share. Aggregate liquidating value $4,187,000. The redemption value is $42 per share. Authorized 131,826 shares; outstanding 104,665 shares. 15,000 shares are reserved for conversion of debentures of a subsidiary.	87,000	87,000
$2.40 subordinated serial preferred stock, Series 2 at stated, liquidating and redemption value of $40 per share. Authorized 395,626 shares; outstanding 175,848 shares.	7,034,000	7,034,000
Subordinated cumulative preferred stock, at stated value of $1 per share. Aggregate liquidating value $1,000. The redemption value is $31.90 per share. Authorized 5,000,000 shares; outstanding 25 shares. 1,210,837 shares are reserved for conversion of employees' preferred stock.	—	—
Employees' subordinated convertible preferred stock at stated value of $1 per share. Aggregate liquidating value $38,186,000. Authorized 4,984,333 shares; issued 1,210,837 shares. 769,244 shares are reserved under employee incentive plans.	1,211,000	—
Common stock at par value of $1 per share. Authorized 20,000,000 shares; issued 1968—10,063,650 shares, 1967—9,942,433 shares; 2,807,896 shares are reserved for conversion of senior securities (including nonconsolidated foreign finance subsidiary), 774,625 shares for employee stock options and 694,840 shares contingent upon earnings of certain acquired companies	10,064,000	9,942,000
Additional paid-in capital	97,829,000	72,575,000
Earnings retained in business	136,015,000	119,228,000
	260,152,000	225,637,000
Less treasury stock	12,922,000	—
Total stockholders' equity	$247,230,000	$225,637,000

The aggregate liquidating values shown above are net of shares held in the treasury.

During the year 923,040 shares of common stock, 565,566 of which were reissued in poolings of interests, were acquired in exchange for employees' preferred stock. At July 31, 1968, 357,474 of these common shares, carried at the exchange value of $1 per share, remained in the treasury. In addition, treasury stock included 305,607 common shares, 440 Series B preference shares, 900 Series C preference shares and 13,798 employees' preferred shares carried at cost.

In 1960 the company granted to certain employees options to purchase common stock under the restricted executive stock option plan at 85% of the then market value. In addition options to purchase common stock at 85% of market value two years subsequent to date of grant have been offered each year to all eligible employees under the savings fund–employee stock purchase plan.

	Restricted Executive Stock Option Plan	Savings Fund–Employee Stock Purchase Plan	Total
Options outstanding at August 1, 1967	6,264	256,503	262,767
Options granted	—	184,481	184,481
	6,264	440,984	447,248
Less:			
Options exercised	4,465	88,377	92,842
Options terminated	182	62,699	62,881
	4,647	151,076	155,723
Options outstanding at July 31, 1968	1,617	289,908	291,525
Shares reserved for possible future options	—	482,875	482,875(a)
Total shares reserved	1,617	772,783	774,400
Option price range	$18.70	$18.67-25.85	

(a) At July 31, 1967, the number reserved was 604,657.

In addition the company has other plans whereby employees under certain conditions may purchase stock on the installment basis at the prevailing market price. Under these plans 769,244 shares of employees' subordinated convertible preferred stock were available for employee purchases at July 31, 1968. There are approximately 12,000 employees participating in all the plans described above.

Disclosure of the potential reduction in per share earnings is required in accordance with criteria outlined in Opinion No. 9 of the Accounting Principles Board of the American Institute of Certified Public Accountants.

It is the opinion of the company that any presentation which is based on such a variety of theoretical assumptions is of very limited value to any reader of our financial statements and could be misleading unless the underlying assumptions are thoroughly understood. Accordingly, any conclusions should be made in conjunction with a thorough review of the assumptions discussed in the following paragraphs.

If all common stock contingently issuable at the end of 1968 and 1967 had been issued at the beginning of the year, and appropriate recognition given to items affecting earnings applicable to common stock upon such issuance, earnings per share would have been reduced as follows:

	1968	1967
Conversion of senior securities	$.11	.19

Earnings applicable to common shareholders have been increased by preferred dividends applicable to the converted preferred shares and the after tax effect of interest paid on the debentures. Average common shares outstanding have been increased by the number of common shares to be issued in such conversion.

	1968	1967
Conversion of debt of nonconsolidated foreign finance subsidiary	$.02	—

Earnings applicable to common shareholders have been increased by the after tax effect of interest paid on the debt and by the imputed net earnings on the permanent investment of the proceeds of the debt. Average common shares outstanding have been increased by the number of common shares to be issued in such conversion. Optional redemption features make the extent of conversion impossible to calculate.

	1968	1967
Issuance of shares contingent upon earnings of certain acquired companies	$.02	—

This calculation assumes the issuance of common shares equal to the pro rata portion of the incentive amount earned during the current fiscal year. For example, if an incentive agreement provided for issuance of 100,000 shares of common stock based on incentive earnings of $3,000,000, and if $1,000,000 of the incentive earnings were earned during the current fiscal year, then the pro forma calculation would give effect to an additional 33,333 common shares. The possibility of changes in incentive earnings levels from year to year make it difficult to project with any degree of certainty the final number of common shares to be issued.

	1968	1967
Exercise of outstanding employee stock options	$.04	.03

Earnings applicable to common shareholders have been increased by the after tax effect of the imputed return on the cash which would have been received in full settlement of such options. Average common shares outstanding have been increased by the number of common shares to be issued upon the exercise of such options. This calculation is based on the assumption that all outstanding options will be exercised; however, company experience indicates that an indeterminable number of such options will be terminated rather than exercised.

	1968	1967
Conversion of employees' subordinated convertible preferred stock	$.17	—

This is a non-dividend paying stock which is issued in conjunction with the company's incentive plans. During the time the stock is being paid for by the employee, he receives an amount of incentive compensation in accordance with the terms of the plan. The amount of this incentive compensation is credited to the balance of the employee's note until the note is fully paid. At that time the employee has the option of converting his employee preferred shares into common stock or into a dividend paying preferred stock on a share for share basis. There is no way to determine which option the employee will exercise. If all employees converted to common instead of preferred, it would require the issuance of 1,197,039 common shares based on the current status of the plans. It is reasonable to assume, however, that some employees will choose the option of the dividend paying preferred stock which would require that pro forma calculations give effect to the dividends paid on the new preferred stock.

Based on this number of theoretical alternatives, the only possible approach is to compute the effect on the most conservative basis—the one that assumes full conversion into common stock. This being the case, the earnings applicable to common stock have been increased in 1968 by the after tax effect of incentive compensation paid and the average common shares outstanding have been increased by the number of common shares to be issued upon such assumed conversion.

If all common stock contingently issuable at the end of 1968 and 1967 had been issued as of the beginning of each year based on the assumptions discussed above, the earnings per share would have been reduced by $.36 per share in 1968 and $.22 per share in 1967 and the book value of common stock at July 31, 1968 would have been increased by $111,000,000 ($4.67 per common share).

Contributions to the company's retirement funds are made as the company may determine, although it is not under obligation to make contributions. The current annual expense of the company's pension plans, based upon computations by independent actuaries, was approximately $550,000 in 1968. The company's policy is to fund pension cost accrued. The company also made contributions to profit sharing and other employee contractual welfare plans in the amount of approximately $5,100,000.

Certain stockholders of S. H. Kress & Company, a 95% owned subsidiary, have instituted legal actions against the company, Kress and certain directors of both companies in connection with the sale and leaseback of certain Kress properties. It is the opinion of the company and its counsel that the actions will be successfully defended. The company also is the defendant or plaintiff in other legal actions which in the opinion of counsel and the company will be successfully resolved; however, in the event of adverse decisions the company's financial position would not be materially affected.

The company has agreed to acquire the outstanding stock of Lebanon Knitting Mills, Inc., and its affiliated corporations engaged in the manufacture of wool and polyester fabrics. At the closing the company is to issue 100,000 shares of Series 2 subordinated serial preferred stock and 75,000 shares of a new Series 3 subordinated serial preferred stock. At June 30, 1968, Lebanon had total assets of $15,765,000 and stockholders' equity of $7,078,000. Net sales and net earnings for the year ended June 30, 1968 were $15,744,000 and $784,000.

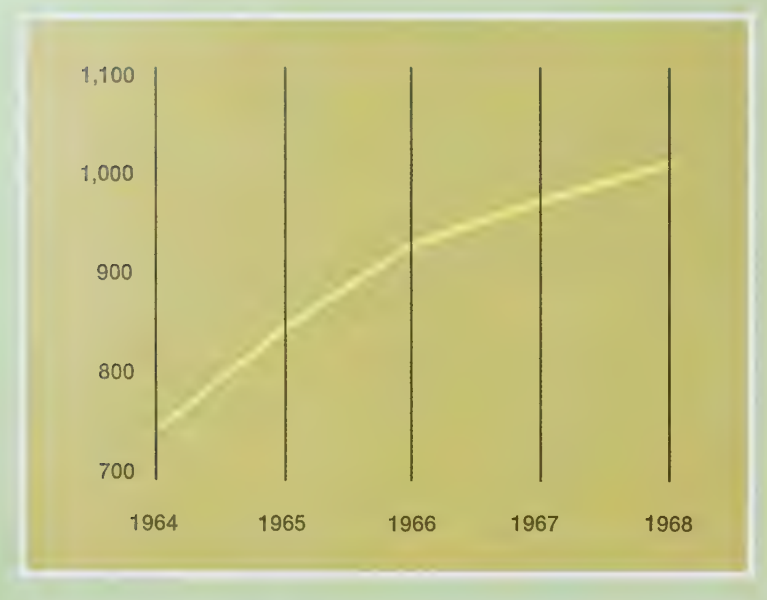
GENESCO record of growth

Figures for 1964-1967 have been restated for poolings of interests. Prior years are as originally reported. All figures have been adjusted for the three-for-two stock split of August 22, 1966.

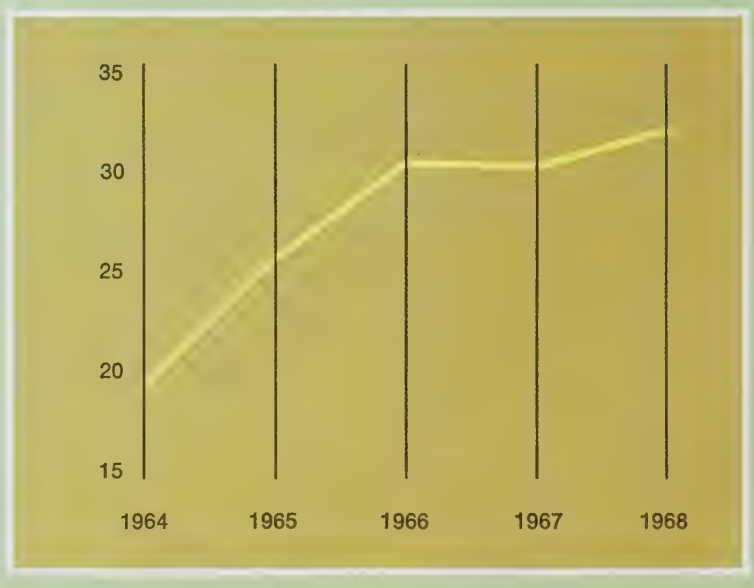
All dollar figures are in thousands except amounts per share.

	Total Volume of Business	Net Sales	Depreciation and Amortization (including lasts, dies and patterns)	Earnings Before Taxes and Minority Share of Earnings	Income Taxes	Net Earnings
1968	**$1,090,954**	**$1,008,066**	**$11,182**	**$57,600**	**$25,355**	**$32,005**
1967	1,048,898	970,329	10,041	52,098	21,769	30,055
1966	1,010,040	925,002	9,728	55,075	24,444	30,067
1965	920,793	848,536	9,984	45,659	19,280	25,966
1964	806,279	746,746	9,666	34,488	15,206	19,008
1963	444,775	400,538	5,666	14,240	6,130	8,056
1962	443,254	399,018	5,260	16,390	7,389	8,879
1961	374,637	333,496	4,992	13,986	5,729	8,155
*1960	363,573	321,191	4,575	14,893	6,489	8,207
*1959	318,994	276,422	4,341	17,106	8,217	8,643

*Fiscal years ended October 31.



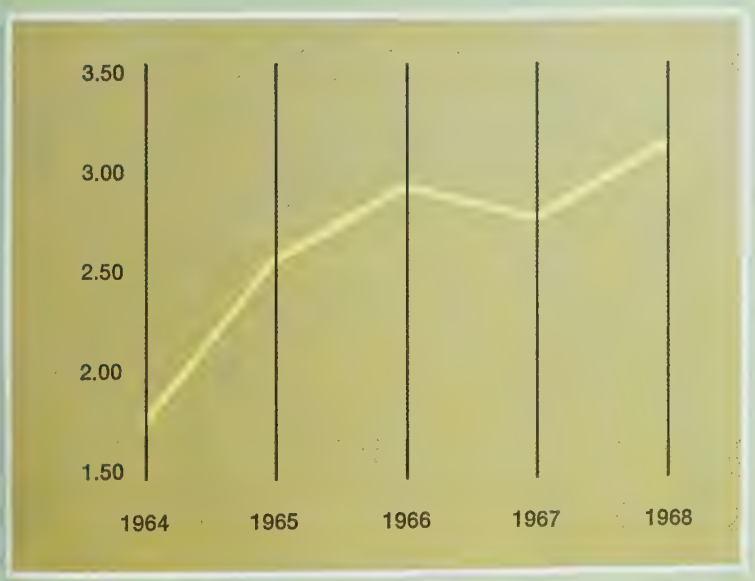
NET SALES millions of dollars



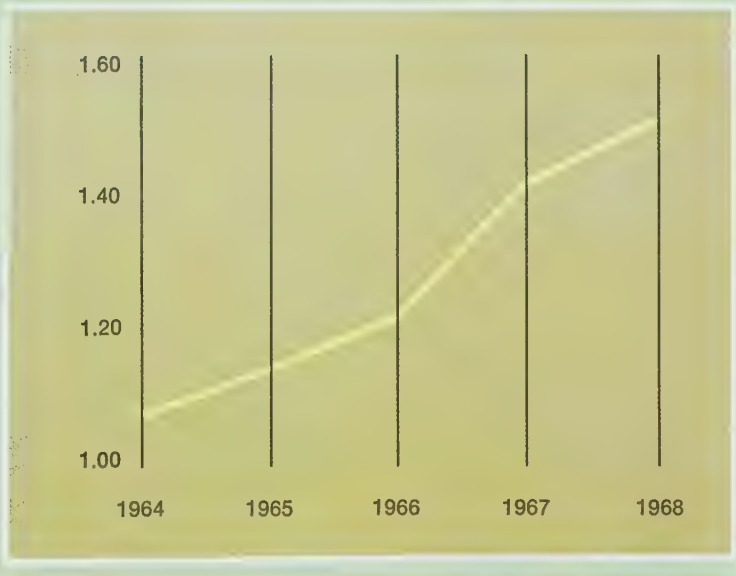
NET EARNINGS millions of dollars

This page should be read in conjunction with the Financial Review on pages 24, 25, 26, and 27.

Number Stock-holders	Average Shares Common Stock Outstanding	Earnings Per Common Share	Total Taxes Per Common Share	Dividends Per Common Share	Cash Flow Per Common Share	Year's Price Range Per Common Share	Long-Term Debt	Working Capital	Stockholders' Equity
38,000	**9,472,000**	**$3.14**	**$4.78**	**$1.50**	**$4.04**	**47¼-29**	**$106,546**	**$301,614**	**$247,230**
35,000	9,796,000	2.80	4.31	1.40	3.66	32⅛-23	89,693	257,803	225,637
30,000	9,264,000	2.95	4.70	1.20	3.70	41¼-28⅜	68,990	234,088	205,654
29,000	8,900,000	2.59	4.14	1.13	3.44	36-26½	73,610	229,755	177,302
28,000	8,837,000	1.80	3.52	1.07	3.58	27¼-22⅝	75,185	215,450	163,563
24,000	5,909,000	1.20	2.45	1.07	2.26	25½-22⅜	46,986	138,320	120,006
18,000	5,758,000	1.43	2.63	1.07	2.32	28¼-22⅜	54,572	127,892	105,778
16,000	5,606,000	1.37	2.22	1.07	2.23	26¼-17⅛	40,789	113,889	100,697
16,000	5,048,000	1.45	2.55	1.02	2.04	27¼-20⅜	29,384	102,575	99,608
11,000	4,118,000	1.77	3.19	1.00	2.49	27¼-18	27,625	84,803	76,559



EARNINGS per common share



DIVIDENDS per common share

This page should be read in conjunction with the Financial Review on pages 24, 25, 26, and 27.

GENESCO corporate officers

CHAIRMAN
W. Maxey Jarman

PRESIDENT
Ben H. Willingham

EXECUTIVE VICE PRESIDENT and CHAIRMAN, EXECUTIVE COMMITTEE
William M. Blackie

EXECUTIVE VICE PRESIDENT
Franklin M. Jarman

VICE PRESIDENTS—GROUP OPERATIONS
Sam A. Buchanan
H. Nelson Carmichael
William S. Flanagan
J. Owen Howell, Jr.
W. Gregory Quick
E. DeVaughn Woods

VICE PRESIDENT—FINANCIAL DEVELOPMENT
Leonard K. Guiler

VICE PRESIDENT and SECRETARY
James P. Saunders

VICE PRESIDENT—NATIONAL and INTERNATIONAL RELATIONS
H. Wilks Brawley

VICE PRESIDENTS—DISTRIBUTION
Charles W. Cook
Houghton D. Vaughn

VICE PRESIDENT—MARKETING
Duke J. Rose

VICE PRESIDENT—MANPOWER
George C. Collins

VICE PRESIDENT—MFG. CO-ORDINATION
Kirk H. Low

VICE PRESIDENT—CENTRAL CONTROL
Larry B. Shelton

TREASURER
J. G. DeLacey

AUDITOR
Stuart Carlisle

ASSISTANT VICE PRESIDENTS
James H. Cheek, Jr.
Robert C. Hilton
Fred Lang
George Langstaff, Jr.
Edward M. McGinley
Maurice E. Miller
William C. O'Connor
J. Harvey Ruth

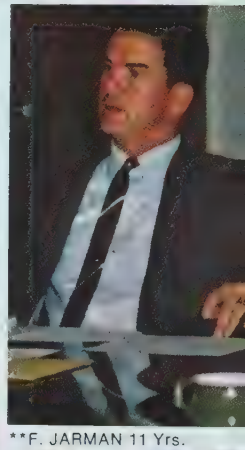
ASSISTANT TREASURERS
Ernest B. Holt
Ben R. Murphy
T. Douglas Oxford

ASSISTANT SECRETARIES
Robert A. Ables
John A. Ball
Rodes Ennis
William S. Wire, II


**BUCHANAN 33 Yrs.


**BLACKIE 40 Yrs.


**HOWELL 21 Yrs.


**F. JARMAN 11 Yrs.


*COLLINS 34 Yrs.


**WOODS 30 Yrs.


**CARMICHAEL 32 Yrs.


**FLANAGAN 19


*SHELTON 12 Yrs.



*ROSE 18 Yrs.



*DeLACEY 17 Yrs.



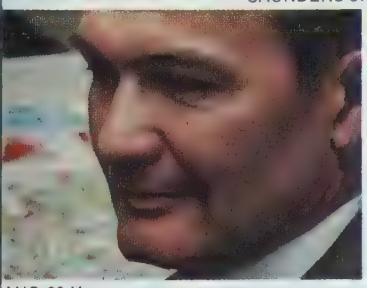
*BRAWLEY 3 Yrs.



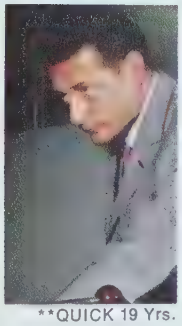
**SAUNDERS 37 Yrs.



*GUILER 25 Yrs.



ANG 20 Yrs.



**QUICK 19 Yrs.



LOW 21 Yrs.

*Board of Governors **Boards of Directors & Governors

CENTRAL CONTROL, CENTRAL SERVICES
J. P. Saunders, *Vice President and Secretary*

CENTRAL CONTROL
Larry B. Shelton, *Vice President*

CENTRAL ACCOUNTING
Jimmie D. White, *Manager*

CENTRAL MANAGEMENT INFORMATION CENTER
Rodes Ennis, *Manager*

CENTRAL AVIATION
Ben Wrobel, *Manager*

CENTRAL BUILDING SERVICES
George Stone, *Group Manager*

CENTRAL INSURANCE
William F. Long, *Manager*

CENTRAL LEGAL
W. C. O'Connor, *Corporate Attorney*
Edward M. McGinley, *Corporate Attorney*—Eastern Branch

CENTRAL REAL ESTATE
J. Harvey Ruth, *Director*

CENTRAL RESEARCH
John W. Kunstadter, *Executive Specialist*

CENTRAL TAX
Paul O. Oberhellman, *Manager*

CENTRAL TRAFFIC
Eugene E. Wager, *Director*

CENTRAL FINANCE, MANPOWER, MANUFACTURING COORDINATION, AUDITING
F. M. Jarman, *Executive Vice President*

CENTRAL FINANCIAL ANALYSIS AND RESEARCH
Leonard K. Guiler, *Vice President, Financial Development*

CENTRAL FINANCE
J. G. DeLacey, *Treasurer*

CENTRAL MANPOWER
George C. Collins, *Vice President*

CENTRAL MANUFACTURING COORDINATION
Kirk H. Low, *Vice President*

CENTRAL AUDITING
Stuart Carlisle, *Auditor*

CENTRAL MARKETING
Duke J. Rose, *Vice President*

CENTRAL RETAIL COORDINATION
Fred Lang, *Director*

NATIONAL AND INTERNATIONAL RELATIONS
H. W. Brawley, *Vice President*

PUBLIC RELATIONS
B. R. Wills, *Director*

corporate executive committee

W. M. BLACKIE, *Chairman*
SAM A. BUCHANAN
H. NELSON CARMICHAEL
WILLIAM S. FLANAGAN
J. OWEN HOWELL, JR.
FRANKLIN M. JARMAN
W. MAXEY JARMAN
W. GREGORY QUICK
DUKE J. ROSE
JAMES P. SAUNDERS
B. H. WILLINGHAM
E. DeVAUGHN WOODS

corporate finance committee

B. H. WILLINGHAM, *Chairman*
W. M. BLACKIE
J. G. DeLACEY
L. K. GUILER
J. OWEN HOWELL, JR.
FRANKLIN M. JARMAN
W. MAXEY JARMAN
DUKE J. ROSE
LARRY B. SHELTON
E. DeVAUGHN WOODS

board of trustees, GENESCO employees' retirement fund

M. S. WIGGINTON, *Chairman*
NOBEL C. CAUDILL
J. HARLAN LAWSON
WILLIAM H. WEMYSS
B. H. WILLINGHAM

board of directors

WILLIAM M. BLACKIE
Executive Vice President
Chairman, Executive Committee

SAM A. BUCHANAN
Vice President

H. NELSON CARMICHAEL
Vice President

CHARLES W. COOK
President, Republic Shoe Company

WILLIAM S. FLANAGAN
Vice President

SAM M. FLEMING
President
Third National Bank
Nashville, Tennessee

EDWARD GLASSMEYER
Senior Vice President
Blyth & Co., Inc.
New York, New York

EDWARD W. GRAHAM, JR.
President, Jarman Shoe Company

JOHN A. HILL
President
Aetna Life & Casualty
Hartford, Connecticut

J. OWEN HOWELL, JR.
Vice President

FRANKLIN M. JARMAN
Executive Vice President

W. MAXEY JARMAN
Chairman of the Corporation

SIGMUND W. KUNSTADTER
Management Consultant
Chicago, Illinois

W. GREGORY QUICK
Vice President

BERNARD E. REED
Vice President

PIERRE A. RINFRET
President
Rinfret Boston Associates, Inc.
New York, New York

JAMES P. SAUNDERS
Vice President and Secretary

HOUGHTON D. VAUGHN
President, Zenith Shoe Company

MADISON S. WIGGINTON
Trustee, GENESCO Pension Funds

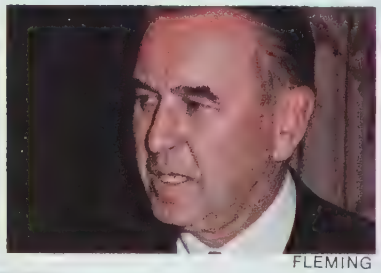
BEN H. WILLINGHAM
President

E. DeVAUGHN WOODS
Vice President


WIGGINTON


GLASSMEYER


KUNSTADTER


FLEMING


HILL


RINFRET

GENESCO

board of governors

WILLIAM M. BLACKIE
H. W. BRAWLEY
SAM A. BUCHANAN
H. NELSON CARMICHAEL
JAMES H. CHEEK, JR.
GEORGE COLLINS
CHARLES W. COOK
A. JOHN CURRIER
MILDRED CUSTIN
J. G. DeLACEY
M. E. EISENBERG
WILLIAM S. FLANAGAN
SAM M. FLEMING
EDWARD H. GAUER
JOEL GLASSMAN
EDWARD GLASSMEYER
EDWARD W. GRAHAM, JR.
DAVID L. GREIF, II
SOL N. GROSSMAN
L. K. GUILER
JOHN A. HILL
J. OWEN HOWELL, JR.
FRANKLIN M. JARMAN
W. MAXEY JARMAN
SIGMUND W. KUNSTADTER
GEORGE LANGSTAFF, JR.
ALEXANDER LERNER
DAVID LEVY
JOE B. LONG
KIRK H. LOW
MARION MARKUS
C. WILBON MARLIN
MAURICE E. MILLER
STANLEY NUSSBAUM
W. GREGORY QUICK
EDWARD RAYNE
BERNARD E. REED
PIERRE A. RINFRET
DUKE J. ROSE
JAMES P. SAUNDERS
GEORGE SCHWARTZ
LARRY B. SHELTON
SIDNEY S. STOGEL
HOUGHTON D. VAUGHN
MADISON S. WIGGINTON
BEN H. WILLINGHAM
J. CARROLL WOOD
E. DeVAUGHN WOODS

corporate offices

111 SEVENTH AVENUE, N.
NASHVILLE, TENNESSEE 37202

730 FIFTH AVENUE
NEW YORK, N.Y. 10019

1700 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006

cable address

GENCORP

transfer agents

COMMON STOCK AND
PREFERRED STOCK

MORGAN GUARANTY TRUST COMPANY
NEW YORK, N.Y. 10004

FIRST AMERICAN NATIONAL BANK
NASHVILLE, TENNESSEE 37202

registrars

COMMON STOCK AND
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CHEMICAL BANK NEW YORK TRUST COMPANY
NEW YORK, N.Y. 10004

THIRD NATIONAL BANK
NASHVILLE, TENNESSEE 37202

ANNUAL MEETING OF STOCKHOLDERS
DECEMBER 2, 1968

corporate executive committee

W. M. BLACKIE, *Chairman*
SAM A. BUCHANAN
H. NELSON CARMICHAEL
WILLIAM S. FLANAGAN
J. OWEN HOWELL, JR.
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W. MAXEY JARMAN
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DUKE J. ROSE
JAMES P. SAUNDERS
B. H. WILLINGHAM
E. DeVAUGHN WOODS

corporate finance committee

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J. OWEN HOWELL, JR.
FRANKLIN M. JARMAN
W. MAXEY JARMAN
DUKE J. ROSE
LARRY B. SHELTON
E. DeVAUGHN WOODS

board of trustees, GENESCO employees' retirement fund

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NOBEL C. CAUDILL
J. HARLAN LAWSON
WILLIAM H. WEMYSS
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CHEMICAL BANK NEW YORK TRUST COMPANY
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THIRD NATIONAL BANK
NASHVILLE, TENNESSEE 37202

board of directors

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Executive Vice President
Chairman, Executive Committee

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Vice President

H. NELSON CARMICHAEL
Vice President

CHARLES W. COOK
President, Republic Shoe Company

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Vice President

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President
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New York, New York

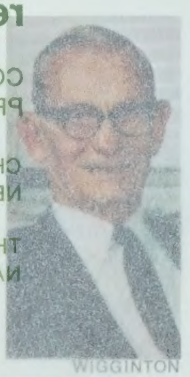
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Vice President and Secretary

HOUGHTON D. VAUGHN
President, Zenith Shoe Company

MADISON S. WIGGINTON
Trustee, GENESCO Pension Funds

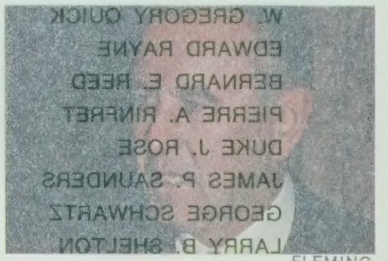
BEN H. WILLINGHAM
President

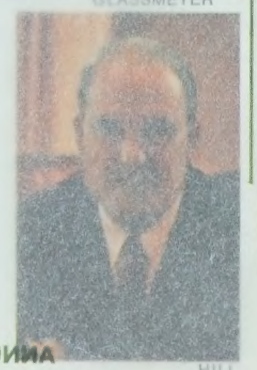
E. DeVAUGHN WOODS
Vice President


WIGGINTON


GLASSMEYER


KUNSTADTER


FLEMING


HILL


RINFRET

ANNUAL MEETING OF STOCKHOLDERS
DECEMBER 2, 1968

GENESCO 111 SEVENTH AVENUE, N., NASHVILLE, TENNESSEE 37202 • 730 FIFTH AVENUE, NEW YORK, NEW YORK 10019